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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MARCH 20, 2000

PETITION OF

MCI TELECOMMUNICATIONS CORPORATION
OF VIRGINIA, INC.

To reduce carrier common line
charge to remove deregulated
payphone investment from the
rates of Bell Atlantic-Virginia,
Inc.

CASE NO. PUC970016

DISMISSAL ORDER

On February 10, 1997, MCI Telecommunications Corporation of Virginia, Inc. ("MCI"), filed a petition to reduce the carrier common line ("CCL") component of access charges of Bell Atlantic-Virginia, Inc. ("BA-VA"), by removing the deregulated payphone investment and associated expenses and reducing BA-VA's intrastate CCL charge to reflect the removal of the payphone investment and associated expenses in its intrastate operations.¹

¹ Section 276 of the Telecommunications Act of 1996 ("Act") provides that any Bell operating company "shall not subsidize its payphone service directly or indirectly from its exchange service operations or its exchange access operations." 47 U.S.C. § 276(a)(1). The Act directs that the Federal Communications Commission ("FCC") shall take all actions necessary to prescribe regulations that . . . discontinue the intrastate and interstate carrier access charge payphone service elements and payments . . . and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues." 47 U.S.C. § 276(b)(1)(B). In compliance with the Act, the FCC issued its Report and Order in CC Dockets 96-128 and 91-35 on September 20, 1996, (hereafter, "FCC Order"). The FCC Order at ¶186 provides in part that, "States must determine the intrastate rate elements that must be removed to eliminate any intrastate subsidies . . .". MCI now requests

On March 11, 1997, an Order Inviting Response was issued. On March 18, 1997, BA-VA filed a Motion To Dismiss Petition of MCI. Thereafter, on March 19, 1997, AT&T Communications of Virginia, Inc. ("AT&T"), filed its Motion to Participate and Requesting a Hearing.²

The Commission, having reviewed all of the pleadings in this case, is of the opinion that the Petition of MCI and the motions by BA-VA and AT&T should be denied for the reasons below.

On February 2, 2000, the Commission issued an order establishing an investigation to consider the appropriate level of intrastate access service prices for BA-VA³ in Case No. PUC000003. The investigation in Case No. PUC000003 requires BA-VA to file a current cost study for both its switched and special access services using the long-run incremental costing methodology approved in Case No. PUC870012. Testimony and evidence as to all factors the Commission should consider in making any access pricing decisions is called for, and the

this Commission to exercise its jurisdiction and to act pursuant to the FCC Order.

² BA-VA responded by filing a Motion to Dismiss AT&T's Request For a Hearing on March 24, 1997, and AT&T filed its Reply Comments on March 25, 1997.

³ The appropriate level of intrastate access service pricing for GTE South, Inc. and the Sprint Companies of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia are also included in this investigation.

Commission Staff is directed to investigate these factors and make its report.

The Commission concludes that its investigation in Case No. PUC000003 is sufficiently comprehensive to address all concerns raised by MCI, AT&T, and BA-VA in their pleadings filed herein. MCI and AT&T, as certificated carriers in the Commonwealth of Virginia, are granted ample opportunity to advance their cases through participation in the investigation commenced in Case No. PUC000003. Therefore, the Commission finds that MCI's petition filed herein should be dismissed without prejudice, and MCI and AT&T are encouraged to participate in the investigation in Case No. PUC000003. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The petition filed by MCI herein is hereby dismissed without prejudice.

(2) The motions filed by BA-VA and AT&T are hereby denied.

(3) There being nothing further to come before the Commission, this matter is dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.